



# INSTITUTIONAL ARRANGEMENT AND ENTREPRENEURSHIP DEVELOPMENT –A STUDY ON INSTITUTIONAL ARRANGEMENT FOR PROMOTING WOMEN ENTREPRENEURSHIP IN INDIA WITH SPECIAL REFERENCE TO KARNATAKA STATE

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## ABSTRACT

In India several institutions are devoted in prompting women entrepreneurship. The Government of India has taken an active step towards Empowering Women Entrepreneurs in all the business areas. Institutions provide several schemes for initiation and sustenance of startups, specifically managed by Women entrepreneurs. The Ministry of Micro, Small and Medium Enterprises of Government of India has opened women's cell to provide Assistance to women entrepreneurs. The Women and Child Development department has launched several Income generating schemes. In that they are providing assistance in setting up the training cum income generating activities for the needy women Entrepreneurs. This Paper aims to understand the different types of institutions in National, State and non government level institutions, which are supporting women entrepreneurs. It doesn't only deal with number of institutions helping or supporting women entrepreneurs but also evaluates the various schemes and benefits for empowering women in the field of entrepreneurship.

**KEY WORDS:** Institutions, Schemes, Benefits, Women, promotions.

## Introduction:

Women-owned businesses are a powerful force in today's developed economies. Around 30% of all businesses in the US are owned by women and the patterns are similar in other countries. In Canada, female entrepreneurs represent around 40% of business owners. Over one-quarter of business owners in the UK are women, which is on a par with most Northern European countries. All around the world women are starting and operating their own businesses in record numbers. This, together with the growing interest in establishing social policy that permits genuine equality of the sexes, has led to the growth of public initiatives that fund services which support women and favor their presence in all parts of the society. Women entrepreneurs occupy an important position in the industrial economy of the country because of low investment requirement, high potential for gainful employment generation and wider dispersal of industries in rural and urban areas. The economic development of advanced countries of the world has been attributed to the growth of women entrepreneurs. In advanced countries the majority of small enterprises have been managed by women. There are over five million women entrepreneurs constituting one fourth of all entrepreneurs in China. Keeping the experience of Western economies in mind, the Government of India has set up various institutions to promote women entrepreneurial activities. They offer a wide range of incentives Pacific Business Review International measures to women entrepreneur for providing an impetus to industrialization.

In India there are a number of institutions established for the development of women entrepreneurship, namely, National Institute for Entrepreneurship and Small Business Development (NIESBUD), Entrepreneurship Development Institute of India (EDII), National Bank for Agriculture and Rural Development (NABARD), Federation of Indian Women Entrepreneur (FASME), and World Assembly of Small and Medium Entrepreneur (WASME), District Financial Institutions (DFI) in general and Small Industries Development of Bank of India (SIDBI), etc. SIDBI has schemes to develop effective linkage with many leading national and international agencies to pursue promotional and developmental activities of SSI units in Karnataka. SIDBI and Karnataka State Financial Corporation (KSFC) have together launched many programmes for the growth of Women Entrepreneurship in Karnataka, to motivate them in establishing new enterprises and to upgrade and develop the existing ones. In Karnataka the responsibility of women entrepreneurial development has been taken up by the Department of Industries and Commerce which operates through District Industries Center (DIC), Technical Consultancy Service Organisation of Karnataka (TECSOK), Karnataka Small Scale Industries Development Corporation (KSSIDC), Karnataka Industrial Area Development Board (KIADB), Karnataka State Finance Corporation (KSFC), Center for Entrepreneurship Development of Karnataka (CEDOK) and Karnataka State Women Development Corporation (KSWDC). In October 2010, the KSSIDC set up a new helpline for women entrepreneurs. It offers guidance, facilitates loans and training in different skills under its new scheme called 'Udyogini,' and also motivates women entrepreneurs in establishing new enterprises and to upgrade and develop the existing ones.

## Literature Review:

1. Ivan Stefoovic & Slobada Pracic (2010), research conducted in Serbia and The study says that understanding motivational & success factors can be helpful for entrepreneurs & their SME's because it could affect the in cress of

percentage of successful ventures. Author suggests that it is necessary to make significant improvements in the process of institutionalization of supporting SME's. This can be achieved by creating environment that will facilitate development of entrepreneurship through numerous stimulating activities such as incentives that would facilitate cooperation of SME's & large enterprises & creation of clusters, establishing organizations for providing assistance to entrepreneurs (Eg: Association of entrepreneurs, government agencies for SME's development, business incubators, industrial parks Etc..)and providing easy accessible capital.

2. N.Rajan & D.Saradha(2008),In their study of women entrepreneurship and support systems research says that Internal support is very important for starting any business more than external support. According to the study internal supports are family, Spouse, Parents,Moral Support,Internal Support ,Financila Support ,Motivation and encouragement from internal family members.
3. Sonia Goltz, Mari W. Buche and Saurav Pathak (2015), As per the research that women 's political empowerment in a country was positively linked with women Entrepreneurial behaviors also this study also revealed that association of women's political leadership at the country level with women's entrepreneurship at the individual level .Political empowerment with in a country produced a significant direct effect on female entry into entrepreneurship.
4. Manuela Pardo-del-Val (2010), This study funds that three important issues across the counties of women entrepreneurs those are level & type of training, Available of funding and selection of industry for starting business.

## Methodology:

The current study is based on secondary data and tries to answer the following research questions.

- 1) How supporting institution enhance overall development of women entrepreneurship?
- 2) How effective various women empowerments policies and programs of supporting institutions are?
- 3) Which are the more beneficial Bank schemes for women entrepreneurship?
- 4) How much essential are various institutions at central, state and non-government level for boosting women entrepreneurship
- 1) **How supporting institution enhances overall development of women entrepreneurship?**  
Institutions are really working hard to encourage women entrepreneurs at every level .Supporting institutions are working towards Co-coordinating, Developing and management activities like coordinating various promotions, Involving in policy making, giving essential support & guidance for the development of ancillary units and providing training ,consultancy services and also developing competitive strength. Also providing assistance

and coordination in selection of plants, Machinery, Location and layout design, Marketing and trading activities and creating awareness programs for women entrepreneurs.

The supporting institutions like ICECD, Awake, WIT, FLO, FIWE, and CWEI provides various support and assistance for empowering women entrepreneurs. These institutions are identifying poverty and economic background, Small scale and budding entrepreneurs and promoting them to the socio economic advancement and professionals Excellency, providing Incubators as well as entrepreneurship training and skill development.

MSME-DO provides a comprehensive range of common facilities, technology support services, marketing assistance, entrepreneurial development support to women entrepreneurs. National Bank for Agriculture and Rural Development (NABARD) - NABARD provides liberal credit to rural women entrepreneurs.

With the help of institutional support women entrepreneurs are enhancing their skills and utilizing minimum to maximum available benefits for their enterprise.

## 2) How effective various women empowerment policies and programs of supporting institutions are?

Government of India formulated various policies and introduced special schemes to bring women out for entrepreneurial activities. Many Government and Non Government Organizations were encouraged to conduct special training programme awareness Programs which covers various aspects of entrepreneurial activities, modern management techniques, project planning and implementation.

In the New Industrial Policy of 1991 Government of India stressed the need for conducting entrepreneurship development programs for women and especially rural women with a view to encourage them to enter in entrepreneurial area.

### Existing policies for women entrepreneurship development in India

Various policies of MSME for women's entrepreneurship development play a major role in this process. After reviewing existing policies and the way they impinge on women enterprises, the key findings can be classified under the following 3 headings:

#### Regulatory Policies

Policies concerned with ensuring compliance, by individual women entrepreneurs, firms, with laws, and the rules and regulations laid down under those laws for various aspects of a business are classified as regulatory policies. Those are related to Registration and incorporation, licensing for production and quotas for scarce raw materials, taxation, labour wages, welfare and safety, environmental protection, consumer protection, quality and standards and specific subsector laws and rules, etc.

#### Promotional Policies

Policies are related to self-employment and entrepreneurship these are directly or indirectly to women for promotion of self-employment and entrepreneurship, specific subsectors, traditional industries and industries in backward regions are classified as promotional policies.

#### Credit Policies

Policies that have been applied directly or indirectly to women for credit and finance support for business. Finance support and institutional arrangement for credit and finance support.

It has been observed from the above mentioned schemes and policies have revolutionized the women entrepreneurship spirit by boosting up the moral, effectiveness and efficiency of women entrepreneurs.

### Governments training Programmes to promote women entrepreneurship:

Government Launched "Trade Related Entrepreneurship Assistance and Development (TREAD) in 1998. Encourage women in setting up their own ventures; the scheme promotes economic empowerment of women through the development of their entrepreneurial skills in non-farm activities.

There are three major components of the scheme:

1. Government of India grant up to 30% of the total project cost and 70% of the project cost is financed by the lending agency.
2. Government of India grants up to Rs.1 lakh per programme to training institutions and NGOs for imparting training to the women entrepreneurs.
3. Need-based Government of India grants up to Rs.5 lakh to National Entrepreneurship Development Institutions and any other institutions of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

A revised scheme was launched in May 2004. It also provides for market develop-

ment and financial loans through NGOs which are also provided grants for self-employment ventures by women for pursuing any kind of nonfarm activity for small industries.

### Science and Technology Entrepreneurship Park (STEP)

STEP is started in 1987. This programme is organizing training about traditional business like agriculture, milk, fisheries, handlooms, khadi, etc. for rural women entrepreneurs till date 2.5 lakh women have been benefited by this programme.

### Micro, Small Enterprises –Cluster development Programme

Scheme announced for development of potential clusters in March, 2006 to facilitate deployment of available resources for effective implementation and more sustainable results in medium to long term. The State has identified 54 proposals in the sectors Textiles, Auto, Engineering, Food and Fruit processing, Handicraft, etc. These cluster projects will get the benefit of higher technology based Common Facility Centre (CFC). The total grants sanctioned under this scheme around 100 crores.

### Credit Guarantee Fund Scheme

In May 2000, the government introduced the Credit Guarantee Fund Scheme for Small Industries with the objective of making available credit to SSI units, particularly tiny units, for loans up to Rs. 25 lakh without collateral/ third party guarantees.

For women enterprises, the guarantee cover is up to 80% of the credit subject to maximum guarantee limit of Rs. 20 lakh.

### Support for Entrepreneurs & Managerial Development:

For existing and prospective entrepreneurs Micro, Small and Medium Enterprises regularly conduct Entrepreneurial Development and Managerial Development Training programs to encourage more entrepreneurs from among the SC/ST, women and physically challenged groups, no fee charged for them.

### District Industry Center Scheme:

The Board is constituted under The Bombay Khadi & Village Industries Act, 1960. The main objective of this scheme is to start industries in rural areas where the population is less than 1 lacks. Many schemes are implemented by KVIC for women entrepreneurs to start their own business (cottage industries) in rural and semi-urban areas. The industries with investment in machinery not exceeding Rs. 2 lacks are eligible for financial assistance under this scheme. 20% of 2 lacks for general category and 30% increase of backward people are granted as seed capital from the District Industries Center. The rate of interest on seed capital is 4%.

## 3) Which are the more beneficial Bank schemes for women entrepreneurship?

All most all public sector banks have special schemes for women entrepreneurship

Sl. No	BANK NAME	SPECIAL SCHEME NAME
1	Bank of India	Priyadarshini yojana
2	Canara Bank	CAN Mahila
3	Central Bank of India	Cent Kalyani
4	Dena Bank	Dena shakti
5	Oriental Bank of Commerce	Oriented Mahila Vikas Yojana
6	Punjab National Bank	Mahila Udyam Nidhi Scheme
7	State Bank of India	Stree Shakti Package
8	Punjab & Sind Bank	Udyogini Scheme
9	State bank of Mysore	Stree Shakti Package
10	Vijaya Bank	V Mangala
11	UCO Bank	Naroi Shakti
12	ICICI Bank	Women's Account
13	NABARD	Arwind, Mahima
14	Tamilnad Mercantile Bank	Mahlir Loan
15	Small Industries Development Bank of India	Mahila Udyama Nidhi

The government of India established many schemes in considering the contribution of women entrepreneurs in building the start up ecosystem. There are several banks are encouraging and sanction loan for budding and real time entrepreneurs.

Many bank schemes are available for women empowerment. Present study selected few special and popular schemes which are really helped women entrepreneurs for their business activities and new ventures.

One among the most important popular scheme from State bank of Mysore providing two different schemes namely Annapurna and stree shakti. Where in which women entrepreneur can avail the loan starting from Rs.50, 000 to 5 lakh. This

schemes is for those who would like to start and in the field of food catering business and who undergone the EDP training from the government body.

Bharthi Mahila Bank offers schemes for Retile entrepreneurs, its provides the Micro and SME loans. Dina Shakti scheme is available for entrepreneurs engaged in agriculture, manufacturing, micro-credit, retail stores or small enterprises and interest rate is very minimal of 0.25%.

Punjab national bank has 5 different schemes like PNM Mahila Smredhi, Udyam Nedhi, Shakthi karan Abhiyan, Kalyani card Scheme and Financing crèches. This bank different schemes are helping women in the venture of Butique, Parlor small retile store and providing for agricultural activities, very attractive and interesting scheme is in Punjab national bank of Mahila Udyam Nidhi Scheme targeted towards the small-scale sector can avail loan up to 10 Lakhs and repayable tenure is 10 years.

Cent Kalyani Scheme launched by Central Bank of India. It is available for women employed in village and cottage industries, micro, small and medium enterprises, self-employed women, agriculture and allied activities, retail trade and government sponsored programmes.

Last but not the least Mahila Bank offers a collateral free loan of upto Rupees 1 crore, covered under Credit Guarantee Trust for Micro and Small Enterprises.

Latest Scheme has been introduced by our PM that is Pradhan Mantri Mudra Yojana in this we can have three categories on the basis of funding, Shishu, Kishor and Tarun. As name itself says budding Growing and for sustaining business can enjoy the financial funding limit start from Rs.50,000 to 10 lakhs.

Many Schemes are available from different banks and government also funding and supporting women entrepreneurs in many ways but awareness is very limited and bank administrative activities are very complicated for availing few of these schemes.

#### 4) How much essential are various institutions at central, state and non-government level for boosting women entrepreneurship.

#### INSTITUTIONAL AND AGENCY SUPPORT FOR ENTERPRISES

Sl. No	Central Level	State Level	Others
1	National Board for micro, small, medium enterprises (NBMSME)	Technical Consultancy Services Organization	India SME Technology Services Ltd.
2	KVIC-The Khadi & Industries Industry Commission	District Industries Centers (DIC)	The Khadi & Village Industries Commission (KVIC)
3	Coir Board	Karnataka Udyam Mithra	Indian Council of Small Industries (ICSI)
4	MSME-Do (SIDO)	State Finance corporation (SFC)	Laghu Udyog Bharti (LUB)
5	NSIC- National Small Industry Corporation	Small Scale Industrial Board	World Association Of Small And Medium Enterprises (WASME)
6	Indian Institute of Entrepreneurship (IIE)	State Industrial Investment corporation	Federation of Indian Chambers of Commerce and Industry (FICCI)
7	Small Industrial Development Bank of India	Karnataka Council for Technological up gradation	Rural Small Business Development Centre (RSBDC)
8	Schedule Commercial Bank	Vishweshwarya Industrial trade center	
9	National Institute for small Industrial Extension training	Technical Consultancy Services Organisation of Karnataka (TECSOK)	
10	National Entrepreneurship Development Institutes		
11	NIMSME		
12	NIESBUD		

Government has introduced many programs for boosting women entrepreneurs in central, State and nongovernmental levels. Creating all facilities awareness programs for entrepreneurs. Most of the entrepreneurs are utilizing and benefited and few entrepreneurs are waiting for availing the benefits.

National level Institutions are introduced different schemes and programs for empowering entrepreneurs and agenda of these programs are solving the issues relating to MSME's and providing many employment opportunities for rural and unskilled, Semi skilled people. Also few institutions are working towards improving the living conditions of the workers in the traditional Industries. For that undertaking the scientific technologies and economic research & development activities. Small industrial organizations are providing a wide spectrum of services to the small industries sectors and majorly facilitating for testing, Tool making training, entrepreneurs development, preparation of projects and product profiles, Technical and managerial consultancy assistance, Pollution and energy audit etc.

In district wise supporting systems are involving and supporting entrepreneurs in the line of networking, Business training, Assistance in financial funding, Infrastructure, completion of statutory requirements. Technology upgrading and transformation and export systems training. Most of the training and non government organizations are creating a first generation Entrepreneurs and also creating awareness programs for entrepreneurship developments. Schedule banks are providing venture capital for start up's. State level support systems are easy to access and approachable.

All National, State and nongovernmental organizations objectives are same for promoting entrepreneur development in every level of their activities and make them economically independent and creating many employment opportunities through them and make them successful contributors for the economic development of the country.

#### SUGGESTIONS TOWARDS FURTHER EMPOWERMENT OF WOMEN ENTREPRENEURS

1. There should be continuous attempt to inspire, encourage, motivate and operate women entrepreneurs.
2. SHGs and individual entrepreneurs should be provided with more loans from the government.
3. The government should introduce extensive entrepreneurial development program for women.
4. Finance should be made available to women entrepreneurs at a reduced rate of interest.
5. Better educational facilities and schemes should be extended to women folk from the government.
6. Extension participation program may be arranged with extension agencies for the SHGs and entrepreneurs to visit their business houses to know the functions and its administration so that it creates awareness.
7. Simplifying of administrative activities for women entrepreneurs.
8. Single window operations for easy and quick process.
9. Need to create more and more awareness programs.

#### Conclusions

Women sector occupies nearly 45% of the Indian population. At this stage, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. It can be considered that today we are in a better position, where in women participation in the field of entrepreneurship is increasing at a considerable rate.

Emerging entrepreneurs are just like newborn. They cannot stand on their own feet, at least in the initial stage of their business strong supporting system is very essential for their survival and sustainability. Supporting institutes play an important role in grooming and nurturing the budding entrepreneurs in the right direction. Supporting institutions not only provides seed capital also helps emerging entrepreneurs for their marketing, exporting and various activities. Government through its various schemes and incentives has created a strong support system to take care of growing entrepreneurs. The strong support system helps the entrepreneur stand firmly in the business.

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